

Title	Company	Responsibility	Team Assigned
Area Manager	SBC	8 state Wholesale DSL Product Manager	xDSL
Area Manager	SBC	PreOrder Verigate/DataGate/EDI/CORBA	xDSL
Area Manager	SWB	OSS Planning (Broadband/DSL)	xDSL
Specialist	SNET	Wholesale DSL M&P	xDSL
Manager	SNET	Wholesale ADSL M&P	xDSL
Project Manager	PB	Network	xDSL
Project Manager	AIT	Project Management - Process Mgmt	xDSL
Area Manager	SNET	Network	xDSL
Principal Technical Architect	PB	Tech Director (WebQual Arch/Development)	xDSL
Area Manager	PB	M&P Business Process	xDSL
Director	NB	Network	xDSL
Area Manager	PB	Network	xDSL
Sr. Specialist	SNET	Network	xDSL
Sr. Manager	AIT	OSS Strategy & Development	xDSL & Core Team
Area Manager	SBC	OSS Planning	xDSL & Core Team
Area Manager	PB	Wholesale Operations	xDSL & Maint/Repair
Business Consulting	AIT	IT, EBTA, xDSL	xDSL & Maint/Repair

Several CLECs requested enhancements and, accordingly, SBC/Ameritech initiated Phase 2 Collaborative Workshops.

Paragraph 18

SBC/Ameritech has completed the requirement and deployed the required billing discounts to provide 25% discount off recurring and non-recurring charges on unbundled loops used for Advanced Services until the development and deployment of the new Operations Support Systems ("OSS") option.

Accessible Letters dated October 27, 1999 for SWBT (CLEC99-157), PB (CLECC99-344), NB (CLECN99-097) and SNET (CLECCT99-035) were issued to offer the discount. Ameritech offered CLECs the discount via the www.TCNet.ameritech.com website on October 15, 1999. Billing discounts were available in SWBT November 2, 1999, PB/NB November 7, 1999, SNET November 30, 1999, and AIT November 8, 1999.

As of December 31, 1999, 82 interconnection agreement amendments were either prepared or filed for Advanced Services OSS Discounts.

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
3	15b	Offer to Develop Direct Access to SORD or equivalent Service Order Processing Equivalent System for pre-ordering and ordering xDSL and Advanced Services	10/25/99	10/18/99
3	15c(1)	Complete Phase 1 Public Plan of Record ("POR") sixty days after Merger Close Date for xDSL and Advanced Services Datagate and EDI Interfaces.	- 12/7/99	12/7/99
3	15c(1)(A)	Letter filed with FCC Secretary by Marian Dyer	12/10/99	12/9/99
3	18	Provide 25% Discount off Recurring & Non-Recurring Charges on Unbundled Loops used for Advanced Services (Advanced Services OSS discount) until development and deployment of the new OSS option.	11/7/99	11/2/99

2. Methods and Procedures ("M&P")

A review of existing M&P determined that they were sufficient to address the 1999 merger commitments.

3. Training

Various levels of training requirements have been identified. These levels range from a general awareness to detailed knowledge of the Merger Conditions. Employees that required immediate detailed knowledge have received on-the-job training. Classroom courses are planned for other employees who will require this detailed knowledge. Planning is also underway for meeting notes and discussion guides to be distributed to those employees who require either a general awareness or working knowledge of the Merger Conditions. Existing training addressed the completed 1999 commitments.

4. Internal Controls

The SBC/Ameritech Interconnection Services organization has been structured to account for the 13-state region. Job positions have been created and managers assigned to specific functional areas. These areas include project management, training, M&P development, CLEC support and OSS certification.

The Program Management office provides weekly input via updates to the Merger Compliance Group. The Program Management Binder includes a summary of all Conditions and requirements for the Conditions, as well as a Merger Conditions Matrix developed by Mr. Charles Foster's organization to track Corporate compliance. Detailed "Status Confirmation Reports" are included in

the binder. The Status Confirmation Reports include specific detail describing current status, evidence of compliance, training activities and lists of documents that have been created as a part of the compliance implementation process.

SBC Services' teams are documenting and reporting their compliance weekly through the use of Status Confirmation Reports discussed earlier. These status reports are monitored closely and are used to highlight potential jeopardy situations that may require upper level management intervention to ensure interdepartmental compliance and to obtain any additional resources necessary to ensure full compliance.

Additionally, an SBC/Ameritech Information Technology ("IT") Merger Conditions Compliance Team has been established to ensure overall information systems compliance. The IT Merger Conditions Compliance Team provides weekly status reports to Mr. Glotzbach highlighting progress, issues, and recommended courses of action.

Standard System Development Life Cycle methodologies will be employed, complete with requirements, design and code reviews to insure completeness. System and acceptance testing to insure the quality and performance of the systems will also be undertaken. Specific operation metrics will be developed and implemented to monitor ongoing performance in maintaining the requirements of the system. These activities will be established upon written agreement for the Plan of Record.

A uniform change management process will be established and worked to facilitate corrections of failures, complaints and handle enhancements.

5. Documentation

Documentation Table

Condition	Paragraph	Description of Document	Date
3	15b	CLEC99-147, SWBT	10/18/99
		CLECC99-331, PB	10/18/99
		CLECN99-087, Nevada	10/18/99
		TCNet.ameritech.com	10/15/99
		CLECCT99-028, SNET	10/18/99
3	15c(1)	Plan of Record	12/7/99
		CLEC99-183, SWBT	12/7/99
		CLECC99-372, PB	12/7/99
		CLECN99-112, Nevada	12/7/99
		CLECCT99-051, SNET	12/7/99
		TCNet.ameritech.com	12/7/99
3	15c(1)(A)	Letter filed with FCC Secretary by Marian Dyer	12/9/99

Condition	Paragraph	Description of Document	Date
3	18	CLEC99-157, SWBT CLECC99-344, PB CLECN99-097, Nevada CLECCT99-035, SNET TCNet.ameritech.com	10/27/99 10/27/99 10/27/99 10/27/99 10/15/99

Section 4: Corrective Action

Sufficient controls were in place in 1999 such that no corrective actions were required in 1999.

Condition Number: 4

Condition Name: Access to Loop Information for Advanced Services

Section 1: Summary

Condition 4, Paragraph 19 states that SBC/Ameritech shall provide non-discriminatory access to the same local loop information for the deployment of xDSL and Advanced Services that is available to SBC/Ameritech's retail operations.

Condition 4, Paragraph 20a states that SBC/Ameritech shall provide non-discriminatory pre-order OSS access to theoretical loop length on an individual address basis. This access was available in the Southwestern Bell Telephone Co., ("SWBT"), Pacific Bell ("PB") and Nevada Bell ("NB") service areas prior to the Merger Close Date ("MCD"). Availability of this service was communicated to the Competitive Local Exchange Carriers ("CLECs") through the Accessible Letter process and a CLEC support management organization. This service will be made available in the remaining SBC/Ameritech service areas as specified by the Merger Conditions (see below):

Connecticut service area: 22 months after the Merger Close Date

Ameritech service area: 22 months after the Merger Close Date

Condition 4, Paragraph 20b states that SBC/Ameritech shall provide unaffiliated telecommunications carriers with non-discriminatory, electronic pre-order Internet access to the theoretical loop length based upon the zip code of end users in a wire center.

The planning processes to meet this requirement are underway and a team, led by an Operations Support Systems ("OSS") Management Director, will be established to develop and deploy this access. Implementation of this commitment is not required until October 7, 2000.

Condition 4, Paragraph 20c states that SBC/Ameritech shall provide unaffiliated telecommunications carriers in the SBC/Ameritech Service Area with non-discriminatory access to loop make-up information regarding the capability of loops to support Advanced Services, whether such access is available by electronic or manual means.

Such access was in place prior to the Merger Close Date for SWBT, PB, NB and Southern New England Telephone ("SNET"). CLECs were notified through the Accessible Letter process. Service in the Ameritech region was established January 7, 2000 and notification to the CLECs was communicated through the TCNet website that same day.

Section 2: Person Responsible

Person Responsible	
Name	Title
Rick Bradley	President – Interconnection Services

Section 3: Implementation of Condition

1. Compliance

Paragraph 20a:

Unaffiliated telecom carriers had non-discriminatory electronic pre-order OSS access to theoretical loop length on an individual address basis in the SWBT, PB and NB service areas prior to the Merger Close Date. Availability of this service was communicated to the CLECs through the Accessible Letter process and a CLEC support management organization.

Paragraph 20b

The planning processes to meet this requirement are underway and a team, led by an Operations Support Systems (“OSS”) Management Director, will be established to develop and deploy this access. Implementation of this commitment is not required until October 7, 2000.

Paragraph 20c

Access to loop make-up information as described in Paragraph 20c was available to unaffiliated telecommunications carriers prior to the Merger Close Date for SWBT, PB, NB and SNET. CLECs were notified through the Accessible Letter process. Service in the Ameritech region was subsequently established on January 7, 2000 and notification to the CLECs was communicated through the TCNet website that same day.

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
4	20a	Provide non-discriminatory electronic pre-order OSS access to theoretical loop length on individual address – SWBT, PB, NB	10/8/99	10/8/99
4	20c	Provide non-discriminatory access to loop make-up information regarding the capability of loops to support Advanced Services, whether such access is available by electronic or manual means.	1/6/00	1/5/00

2. Methods and Procedures

Paragraph 20a

Internal and external Methods and Procedures ("M&Ps") have been established. External methods are available to the CLECs through the CLEC handbook website (<https://clec.sbc.com/clecb>). A merger compliance M&P organization was created, monthly meetings were held and planning was done. This organization consists of 12 management employees. M&Ps for service establishment will be released as business requirements are completed.

Paragraph 20b

A merger compliance M&P organization was assembled and met monthly to develop plans. This organization consists of 12 management employees. This group will establish new M&Ps as business requirements are completed.

Paragraph 20c

Internal and external M&Ps have been established for the available service. These methods and procedures are available to the CLECs through the following online websites: <https://clec.sbc.com> and <http://tcnet.ameritech.com>.

3. Training

Various levels of training requirements were identified. These levels range from a general awareness to detailed knowledge of the Merger Conditions. Employees that require an immediate detailed knowledge have received on the job training. Classroom courses are being planned for future employees who will require this detailed knowledge. Planning is also underway for meeting notes and discussion guides to be distributed to those employees who require either a general awareness or working knowledge of the Merger Conditions.

4. Internal Controls

Organizational management and support teams were formed and are responsible for managing their assignments to ensure the timely implementation, maintenance and ongoing success of their products and other responsibilities. Internal controls were and will continue to be identified, developed and implemented to insure compliance with this Condition. Project managers assigned to each Condition requirement are responsible for insuring the appropriate controls are in place and effective.

Complaint resolution is a key control that is already in place and specific steps are being taken to incorporate this Merger Condition into our existing processes. When complaints are received they are assigned to the appropriate account manager to handle the complaint resolution process. The account manager coordinates with the appropriate entities to develop and implement the necessary plan of action to resolve the issue. Each account manager is responsible for tracking his or her assigned complaints to resolution. For complaints presented to the Commission or state Public Utility Commissions ("PUCs"), a written response is prepared advising both the complainant and the relevant commission

of the outcome. For other complaints, a response is provided to the complainant advising them of the outcome. In addition, all Merger Conditions complaints are coordinated through the Merger Compliance Group.

Organizational management is responsible for managing their assignments in a timely and effective manner. This responsibility includes the identification of problem areas, roadblocks and other customer affecting issues to ensure quick handling. As required, issues are escalated to the appropriate management level to assist in resolution. Merger compliance issues are a top priority for the SBC/Ameritech Interconnection Services organization and the compliance plan we have developed quickly identifies problems for expeditious handling.

When the need for corrective action is identified, either through observations in day-to-day operations, project management oversight, or through our complaint resolution process, the appropriate management level is involved and revised processes are implemented to correct the problem. In order to insure the timely and effective resolution of problems, the Merger Compliance Group is notified when problems are identified that relate to compliance with Merger Conditions.

As a key internal control, complaint resolution may require more than fixing a unique problem for one of our CLEC customers. Resolution may require the development or change of policy and/or procedures in any of the many areas within the Company (e.g. network planning, maintenance, order processing, etc.), or the development or acquisition of new equipment or software to ensure permanent resolution and to prevent reoccurrence issues. Account managers escalate to the appropriate management level if assistance in resolution is required.

5. Documentation

The following documents have been retained for Access to Loop Qualification Information. (Paragraph 20):

Documentation Table

Condition	Paragraph	Description of Document	Date Available
4	20a	CLEC Handbook SWBT, PB, NB	Currently available for existing service.
4	20a	Letter filed with FCC Secretary by Charles Foster	10/6/99
4	20b	M&P, Accessible Letters, Hard copy of TCNet web page notification – as Conditions are implemented and documentation becomes available.	10/7/00
4	20c	M&P, Accessible Letters, Hard copy of TCNet web page. CLEC Handbook SWBT, PB, NB, SNET	1/5/00

Section 4: Corrective Action

Sufficient controls have been put in place through organizational structures and clearly defining management roles and responsibilities. No corrective action was required in 1999.

Condition Number: 5**Condition Name: Loop Conditioning Charges and Cost Studies****Section 1: Summary**

Merger Condition 5 requires SBC/Ameritech to use UNE costing and pricing methodology to develop and file loop conditioning costs and proposed rates in each state that has not started or completed loop conditioning cost proceedings within 180 days after the Merger Close Date ("MCD"). SBC/Ameritech is also required to offer interim Digital Subscriber Loop ("xDSL") loop conditioning to Advanced Services providers at rates contained in any effective SBC/Ameritech interconnection agreement.

Interim loop conditioning rates have been made available as of October 15, 1999 to all CLECs in states where rates have not been approved. SBC and Ameritech used their CLEC information websites to notify the CLECs of the Merger Conditions, including the availability of loop conditioning. In addition, SBC issued Accessible Letters to the CLECs. In the posted Merger Conditions, SBC/Ameritech offered to amend interconnection agreements to provide xDSL loop conditioning services contained in any effective SBC/Ameritech interconnection agreement in any state, provided the rates for such services are greater than zero, until state-specific rates are approved. SBC and Ameritech also posted on their websites a proposed loop conditioning interconnection agreement amendment that incorporated all the interim rates, terms and conditions required by Condition 5.

Loop conditioning cost and rate proceedings had been completed in Missouri and were in progress in Kansas and Connecticut at the MCD. Cost studies for loop conditioning rates using the Commission's and relevant state commission UNE pricing rules were completed for the remaining SBC/Ameritech states in 1999. Cost based proposed rates will be developed and filed with the remaining state commissions prior to April 5, 2000 (180 days after the MCD).

Section 2: Person Responsible

Name	Title
James B. Shelley	President-SBC Regulatory

Section 3: Implementation of Condition**1. Compliance**

Interim loop conditioning rates have been made available to all CLECs in states where rates have not been approved. SBC and Ameritech used their CLEC information websites (<https://clec.sbc.com> and <http://tcnet.ameritech.com>, respectively) to notify the CLECs of the Merger Conditions, including the availability of interim loop conditioning, on October 15, 1999. In addition, SBC

issued Accessible Letters to the CLECs on that date. In the posted Merger Conditions, SBC/Ameritech offered to amend interconnection agreements to provide xDSL loop conditioning services contained in any effective SBC/Ameritech interconnection agreement in any state, provided the rates for such services are greater than zero, until state-specific rates are approved.

SBC and Ameritech also posted on their websites a proposed interim loop conditioning interconnection agreement amendment that incorporated all the Condition 5 requirements. Subject to true-up, in any state where conditioning rates have not been approved, CLECs can use the Most Favored Nation ("MFN") process to obtain xDSL loop conditioning rates (greater than zero) that are contained in any effective SBC/Ameritech agreement. SBC/Ameritech will obtain the CLECs authorization to perform and agreement to pay for chargeable conditioning before performing the work. SBC/Ameritech will not charge to condition loops less than 12,000 feet to meet the minimum requirements defined in SBC/Ameritech publications.

As of December 31, 1999, 78 interconnection agreement amendments were either prepared or filed for interim loop conditioning charges.

Loop conditioning cost proceedings were completed in Missouri prior to Merger Close and in progress in Kansas and Connecticut at Merger Close. The Public Service Commission of the State of Missouri ordered loop conditioning rates in Case No. TO-99-370 (Issued June 15, 1999) and Case No. TO-99-461 (Issued August 4, 1999). The Kansas Corporation Commission is still reviewing loop conditioning costs and proposed rates in 97-SCCC-710-ARB and 97-SCCC-149-GIT. The Connecticut Department of Public Utility Control ("DPUC") reviewed loop conditioning costs and proposed rates in Docket No. 98-11-10 and loop conditioning costs and rates have now been moved to Docket No. 00-01-02.

As of December 31, 1999, SBC/Ameritech had started the process of preparing the loop conditioning cost studies and rates to file by April 5, 2000 for the remaining SBC/Ameritech states. Loop conditioning cost studies were completed in 1999 for the remaining states using approved state and federal UNE costing methodologies. Cost based proposed rates will be developed based on UNE methods. Thus, the cost studies and proposed rates will be filed with the appropriate state commissions by April 5, 2000.

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
5	21	Interim conditioning rates made available- SBC/Ameritech	10/25/99	10/15/99
5	21	Interim conditioning rates, terms, and conditions reflect FCC requirements	10/25/99	10/15/99
5	21	Prepared Arkansas cost study*	12/13/99	12/13/99

Condition	Paragraph	Milestone	Due Date	Date Completed
5	21	Prepared California cost study	12/13/99	12/13/99
5	21	Prepared Nevada cost study	12/13/99	12/13/99
5	21	Prepared Oklahoma cost study	12/13/99	12/13/99
5	21	Prepared Texas cost study	12/13/99	12/13/99
5	21	Prepared Illinois cost study	12/31/99	12/31/99
5	21	Prepared Indiana cost study	12/31/99	12/31/99
5	21	Prepared Michigan cost study	12/31/99	12/31/99
5	21	Prepared Ohio cost study	12/31/99	12/31/99
5	21	Prepared Wisconsin cost study	12/31/99	12/31/99

* In Missouri, Kansas and Connecticut, loop conditioning cost proceedings were already started or completed as of Merger Close Date.

2. Methods and Procedures

No new methods and procedures ("M&Ps") are required for interim loop conditioning rates. Notification of the availability of interim rates was made through established distribution channels (i.e., Company websites) in accordance with approved federal and state requirements. CLECs who amend their interconnection agreements can obtain xDSL loop conditioning at the uniform interim rates and on the terms and conditions established in Condition 5 by using the established MFN process.

No new M&Ps were required for the loop conditioning cost and rate filings that are due no later than April 5, 2000. The cost studies were conducted according to approved state and federal UNE methodologies. Proposed rates will be determined based on costs in accordance with approved federal and state methods.

3. Training

No new training was required to provide interim loop conditioning rates. Loop conditioning interim rates (subject to true up) were made available to Advanced Services providers through an interconnection amendment. The advanced service provider can choose its interim loop conditioning rates from any existing negotiated or arbitrated interconnection agreement where an SBC Incumbent Local Exchange Carrier ("ILEC") is a party, provided the rates are greater than zero. Existing procedures to MFN into the loop conditioning provision of an effective interconnection agreement are used.

No new training was required to develop the cost studies needed to support cost based rates for loop conditioning. Merger Condition 5 mandated the use of UNE methodology. Cost personnel used approved state and federal UNE methodologies for the cost studies.

No new training was required for rate development. Rates are cost based, developed according to UNE methods, and approved by state commissions.

4. Internal Controls

Existing methods of developing costs and rates were used. The methods for each state's loop conditioning cost study were developed in compliance with the federal and relevant state commissions' requirements. In addition to normal cost review procedures, cost study quality checks were performed on all cost studies. The Executive Director-Cost Studies, the Director-Cost Studies, and a Cost Studies attorney at SBC reviewed the cost studies to ensure their conformity with state and federal standards. Quality checks were completed for all the SBC states on December 13, 1999. As a result of the action taken in 1999, the quality checks were completed for all the Ameritech states January 7, 2000.

5. Documentation

Documentation Table

Condition	Paragraph	Description of Document	Date Available
5	21	Opening of Kansas loop conditioning proceedings 97-SCCC-710-ARB 97-SCCC-149-CIT	4/13/99
5	21	Connecticut DPUC order in Docket No. 98-11-10 ordering filing of xDSL tariff	5/5/99
5	21	Missouri loop conditioning orders TO-99-370 TO-99-461	6/15/99 8/4/99
5	21	Website posting-SBC Merger Conditions including interim loop conditioning	10/15/99
5	21	Website posting-AIT Merger Conditions including interim loop conditioning	10/15/99
5	21	Accessible Letters-SBC CLEC99-142, CLEC99-328, CLECN99-084, CLECCT99-026	10/15/99
5	21	Website posting-SBC Interconnection Agreement Amendment	10/15/99
5	21	Website posting-AIT Loop Conditioning Interconnection Agreement Amendment	10/15/99
5	21	Cost Study-Arkansas	12/13/99
5	21	Cost Study-California	12/13/99
5	21	Cost Study-Connecticut	12/13/99
5	21	Cost Study-Nevada	12/13/99
5	21	Cost Study-Oklahoma	12/13/99
5	21	Cost Study-Texas	12/13/99
5	21	Cost Study-Illinois	12/31/99
5	21	Cost Study-Indiana	12/31/99
5	21	Cost Study-Michigan	12/31/99
5	21	Cost Study-Ohio	12/31/99
5	21	Cost Study-Wisconsin	12/31/99

Section 4: Corrective Action

Sufficient controls were in place to ensure that the requirements of this Merger Condition were satisfied and no corrective actions were required in 1999. Quality checks were conducted, or will be conducted, on all loop conditioning cost studies by an Executive Director-Cost Studies, a Director-Cost Studies and Cost Study Attorney.

Condition Number: 6**Condition Name: Non-Discriminatory Rollout of xDSL Services****Section 1: Summary**

Under Condition 6, SBC/Ameritech was required to designate every wire center in all SBC/Ameritech states as either urban or rural. SBC/Ameritech was also required to designate the ten percent of urban and rural wire centers in each state that have the greatest number of low-income households (the low-income pool.) Once 20 wire centers in a given category in a given state have ADSL deployed, at least ten percent must be in the low-income pool.

Condition 6 had no commitment requirements in 1999; however, identification of the low-income pool and designation of wire centers as urban or rural was accomplished in 1999.

Section 2: Person Responsible

Name	Title
Mike Turner	President – SBC Advanced Solutions Inc.

Section 3: Implementation of Condition**1. Compliance**

Letters were sent to each of the thirteen state commissions in November of 1999 extending an invitation to consult with SBC/Ameritech on the designation of wire centers as either urban or rural. The seven states responding (Texas, Kansas, Illinois, Ohio, Indiana, Michigan, and Wisconsin) met with SBC/Ameritech representatives in 1999 to consult on the designation. In addition, a SBC representative reviewed the urban/rural wire center designations with the Oklahoma Deputy Director and Senior Counsel who concurred with the designations.

Compliance Table

Condition	Paragraph	Milestone	Due Date
6	22a	Classify all SBC/Ameritech wire centers as either urban or Rural.	1/6/00
6	22b	Identify 10% low-income urban areas.	1/6/00
6	22c	Identify 10% low-income rural areas.	1/6/00

2. Methods and Procedures

No specific Methods and Procedures were required in 1999.

3. Training

No Condition 6 training was required for 1999 activities. The VP-General Legal Counsel for Advanced Solutions, Inc. ("ASI") did conduct specific training on Merger Conditions compliance. This training included instructions regarding Section 272 of the Telecommunications Act of 1996, Advanced Services, Joint

Marketing, Line Sharing Provisions, Merger Conditions, and SBC's Code of Business Conduct. This training insured that ASI was following all non-discriminatory and structural separation rules.

4. Internal Controls

Extraordinary effort is being exerted to identify, plan, monitor and meet all the necessary steps to enable SBC to meet the Merger Conditions as well as continue to meet the needs and demands of Advanced Services customers. The Vice Presidents and other direct reports to Mr. Turner meet by phone daily to communicate status and to coordinate the collective activities of the company. The Team includes the:

- VP-Network Engineering and Planning
- VP-Sales Operations
- VP-Operations
- Senior VP and CFO VP-Transition
- Director-Human Resources
- President – AADS
- VP-General Counsel

Mr. Turner was briefed weekly on all compliance requirements and the ongoing status of Merger Conditions. Through this process, if dates were going to be missed or a problem with any compliance issue was identified, Mr. Turner would have been notified, corrective action would have been developed and all specific details would have been provided to the SBC Corporate Compliance Officer, Mr. Charles Foster.

5. Documentation

ASI has documentation regarding the wire center classifications. A copy of each letter sent to the state commissions is also available.

Section 4: Corrective Action

Sufficient controls were in place so that no corrective action was required in 1999.

Condition Number: 7**Condition Name: Carrier to Carrier Performance Plan****Section 1: Summary**

During 1999, groups and processes were put in place to collect and analyze the service performance data in order to meet the merger reporting requirements. All applicable service performance data was developed and distributed in November and December of 1999 to meet the Merger Condition requirements for Southwestern Bell Telephone ("SWBT") and Pacific Bell ("PB") & Nevada Bell ("NB"), respectively. Phase I of the Ameritech service performance data covering 11 of the 20 Commission performance measurements, was available in January 2000.

Training of SBC/Ameritech employees responsible for the provisioning and maintenance of all products and services related to the performance measurements is underway throughout the Corporation. This is an ongoing activity to ensure CLECs receive parity treatment or are provided service at or above the benchmarks established by the applicable business rules.

Section 2: Person Responsible

Name	Title
Mike Gilliam	Vice President – Long Distance Compliance

Section 3: Implementation of Condition

Note: Unless otherwise noted, due to differences in implementation schedules, business rules (California and Nevada), reporting systems and responsible parties, this section is divided into separate sections for Southwestern Bell Telephone Company ("SWBT"), Ameritech ("AIT"), Southern New England Telephone ("SNET"), and Pacific Bell/Nevada Bell ("PB/NB").

SWBT**1. SWBT Compliance**

Implementation of the 20 SBC/Ameritech merger performance measurements and associated databases in SWBT, using the Texas Business Rules, was the responsibility of the Director-Performance Measurements and the Technical Director-Applications Development.

SWBT Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24	SWBT began reporting the SBC/Ameritech measures	11/01/99	11/01/99, reported results for 8/99 and 9/99
7	24	Letter from Charles Foster to FCC Secretary documenting satisfaction of the reporting requirements	11/1/99	11/1/99

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24	SWBT began reporting the SBC/Ameritech measures on 11-20-99, and the 20 th of each successive month	11/20/99	11/20/99 reported results for 10/99

2. SWBT Methods and Procedures

Business Rules for Measurement Development: The SWBT region states utilize the business rules based on the Texas performance measures.

Methods and Procedures ("M&P") for Data Collection & Reporting: The SWBT region states (Texas, Missouri, Oklahoma, Kansas, Arkansas) utilize the requirements documents specifically developed for purposes of Merger performance reporting, based on the business rules for Texas performance measures.

SWBT Methods & Procedures Table

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24	System/Programming Documentation for 271 Provisioning and Maintenance UNE Measures	N/A	11/99
7	24	Performance Measurements Data Collection Flows	N/A	9/99
7	24	Business Rules for Measurement Development	10/99	10/99
7	24	Projects-In-Progress vehicle for all affected organizations to review and concur on new measurements and changes to existing measurements	10/99	10/99
7	24	M&P for Data Collection and Reporting	N/A	11/99
7	24	System/Programming Documentation for 271 POTS Measures	N/A	10/99
7	24	System/Programming Documentation for 271 Specials Measures	N/A	10/99

3. SWBT Training

In 1999, a team led by the Director-Performance Measurements, conducted a total of 36 training sessions throughout the SWBT territory.

Any additional ongoing training will be done on an "as needed" basis. The process and future schedule for SWBT training will be coordinated through the individual organizations as required.

SWBT Training Table

Condition	Paragraph	Target Audience	Training Message	Delivery Method	Date
7	24	Installation & Repair ("I&R") Managers	The impact and responsibility of the Network Services Organization regarding performance measures	Live presentation using PowerPoint slides.	6/99 & 7/99
7	24	South Texas – POTS I&R, Maintenance Centers, Installation Control Center ("ICC") Area Managers, Managers, and Technicians	The impact and responsibility of the Network Services Organization regarding performance measures	Live presentation using PowerPoint slides.	7/99
7	24	North Texas – POTS I&R, Maintenance Centers, ICC Area Managers, Managers, and Technicians	The impact and responsibility of the Network Services Organization regarding performance measures	Live presentation using PowerPoint slides	8/99
7	24	Houston – Circuit Provisioning Center, Special Services Maintenance Centers, and Specials I&R	The impact and responsibility of the Network Services Organization regarding performance measures	Live presentation using PowerPoint slides	11/99
7	24	Houston – Construction, Engineering, and FACS Directors	The impact and responsibility of the Network Services Organization regarding performance measures	Live presentation using PowerPoint Slides	11/99
7	24	Kansas, Missouri, Oklahoma and Arkansas	The impact and responsibility of the Network Services Organization regarding performance measures	Live presentation using PowerPoint Slides	11/99

4. SWBT Internal Controls

Southwestern Bell continued to enhance the processes, procedures and controls for the production of all performance measurements. The following steps were implemented:

- Data validation occurs on an on-going basis to insure the accuracy and completeness of all calculated data and to provide notification of identified errors or miscalculations.
- Tools and cross-training were implemented to ensure consistency and continuity of performance data processing within the Performance Measurement organization.
- Internal checks identified some incomplete performance data that had been posted on the website, which occurred when the website was loaded. Corrective steps were implemented to address this issue.
- A performance measurement analysis group, located in San Antonio, Texas, was established on May 15, 1999. This group analyzes, tracks, and validates performance measurements. In addition, this group performs root-cause analysis to determine why a measurement result appears to be out of parity. Subsequently, changes are made to practices, procedures or conduct that needs to be adjusted on a going forward basis.
- A "Projects In Progress" log was created to allow all affected organizations to review and concur on new measurements and changes to existing measurements. This allows all organizations to remain current with all pertinent measurement issues and decisions.

5. SWBT Documentation

SWBT Documentation Table

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24	Business Rules for Measurement Development	10/99	10/99
7	24	Projects-In-Progress vehicle for all affected organizations to review and concur on new measurements and changes to existing measurements.	10/99	10/99
7	24	M&P for Data Collection and Reporting	N/A	11/99
7	24	System/Programming Documentation for 271 POTS Measures	N/A	10/99
7	24	System/Programming Documentation for 271 Specials Measures	N/A	11/99
7	24	System/Programming Documentation for 271 Provisioning and Maintenance UNE Measures	N/A	11/99

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24	Performance Measurements Data Collection Flows	N/A	11/99
7	24	Posting of performance measurement results on the website	10/1/99	10/1/99
7	24	Letter from Charles Foster to FCC - Secretary documenting satisfaction of the reporting requirements	11/1/99	11/1/99

AIT

1. AIT Compliance

Note: A separate team was assigned responsibility for AIT since the measurements in the Ameritech states were to be implemented based on the systems and processes available in the AIT states. Two separate phases of the performance measurement implementation were required by the Merger Conditions. The first called for data to be reported 90 days post-merger for 11 of the 20 measures with the nine remaining measures to be reported within 150 days of the Merger Close Date.

Implementation of the performance measures and associated database in Ameritech, using the Texas Business Rules, was the responsibility of the Director-Performance Measures. The implementation was project managed by the performance measurement team with the assistance of consultants from Arthur Andersen LLP. Oversight of the project was assigned to a "Performance Core Team" comprised of key Network and Wholesale Market managers, each of whose functional area was to be impacted by these measurements. Implementation of paragraph 24c was not required until 90 days post Merger Close Date.

AIT Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24c	AIT shall implement performance measurements 2,4-5, 10-13, 15, and 17-19 and provide two months of performance data no later than 90 days after Merger Closing Date	1/6/00	1/6/00
7	24c	Letter from Charles Foster to FCC Secretary demonstrating satisfaction of the reporting requirements	1/6/00	1/6/00

2. AIT Methods and Procedures

Business Rules for Measurement Development: The Ameritech region states (Illinois, Michigan, Ohio, Wisconsin, and Indiana) utilized the Texas business rules established in the Merger Conditions.

M&P for Data Collection & Reporting: The Ameritech region states utilized the requirement documents specifically developed for purposes of Merger performance measurement reporting based on business rules for Texas performance measures. AIT methods of data collection, archiving, and reporting performance were incorporated.

AIT Methods and Procedures Table

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24	Business Rules for Measurement Development	12/15/99	12/15/99
7	24	M&P for Data Collection and Reporting	12/15/99	12/15/99

3. AIT Training

Performance assurance was stressed at the executive level in the AIT states and was addressed in several forms:

- The Local Service Center ("LSC") team implemented daily reporting of wholesale service center related measurements.
- The wholesale organization, including the LSC and Local Operations Center ("LOC") which is responsible for maintenance activities, implemented weekly conference calls where measurements relating to ordering, provisioning, maintenance, and interconnection trunks were addressed.
- The Performance Measurement organization provided overview training for each of these organizations with respect to the Business Rules and how they were implemented in the AIT states. Each organization was required to train its own employees as to the nature of the measurements and the impact to their organization.

AIT Training Table

Condition	Paragraph	Target Audience	Training Message	Delivery Method	Date
7	24	Network Process Managers	Understanding the impact of performance measurements and liquidated damages – Requirements for developing internal reports	Oral Presentation	10/7/99
7	24	Local Operations Center Management (Provisioning & Maintenance)	Understanding the scope and calculations behind the performance measurements. Requirements for developing internal reports	Oral Presentation	12/14/99

Condition	Paragraph	Target Audience	Training Message	Delivery Method	Date
7	24	Local Service Center Management	The SBC/Ameritech performance measurements, impacts and obligations of the Service Center	Oral Presentation	1/13/00

4. AIT Internal Controls

The AIT interpretations of the business rules were documented on an issues log which captures the specific issues raised in discussions with SBC/Ameritech subject matter experts, their responses, and subsequent questions and answers relating to those issues. The log identified the date initiated, status, and date closed.

A data validation process existed within Ameritech to insure that all necessary data is captured and to assess the integrity of both retail and wholesale data. A process was utilized by the Regulatory Reporting System ("RRS") administrators to insure that all required data files are received from each data source system for each state. The process validated the number and type of files received.

In addition, Ameritech ran a number of data validation checks each month before running performance reports. The following list of items was validated for provisioning and/or maintenance data:

- Number of records produced each calendar day of the month in each state
- Number of records in the databases not captured because they pertain to other business units or non-valid company codes
- For maintenance records, the Regulatory Reporting System ("RRS") and the Statistical Analysis System ("SAS") were checked to insure that they had the right number of records for trouble reports produced on each calendar day of the month in each state.
- The Network Services organization developed "indicator reports" in legacy reporting systems and reviewed performance on a daily basis.

5. AIT Documentation

AIT Documentation Table

Condition	Paragraph	Description of Document	Date Available
7	24	Business Requirements, utilizing the business rules established upon merger which are based on the Texas performance measures	12/15/99 (phase 1) 2/1/00 (phase 2)
7	24	Detailed Coding Requirements, the requirements documents specifically developed for purposes of performance reporting, based on the business rules from the Texas performance measures	12/15/99 (phase 1) 2/1/00 (phase 2)

Condition	Paragraph	Description of Document	Date Available
7	24	The requirement documents developed specifically for the methods and procedures for data collection and reporting of the performance measures	12/1/99
7	24	Original input documents used when measurement data is collected manually	Monthly
7	24	Electronic data records stored in database when measurement data is collected electronically	Monthly
7	24	Posting of performance measurements results on the website	1/6/00
7	24	Letter from Charles Foster to FCC Secretary demonstrating satisfaction of the reporting requirements	1/6/00

SNET

1. SNET Compliance

A separate team was assigned responsibility for SNET since the measurements in the state of Connecticut are scheduled to be implemented no later than 12 months after the Merger Closing Date. Pursuant to the Merger Conditions, the measurements in Connecticut will be based on the Business Rules approved by the Texas Public Utility Commission.

Implementation of the 20 SBC/Ameritech merger performance measures and associated database in Connecticut, using the Texas Business Rules, was the responsibility of the Director—Operations Budgets, Reports and Results and the Technical Director—Applications Development. Planning was initiated to form a separate SNET project team to manage the implementation of the merger performance measures.

2. SNET Methods and Procedures

Business Rules for Measurement Development: SNET will utilize the business rules established in the Merger Conditions, which are based on the Texas performance measures, with modifications to accommodate SNET Operating Support Systems.

M&P for Data Collection & Reporting: SNET will utilize the requirement documents specifically developed for purposes of performance reporting, based on business rules from Texas performance measures.

3. SNET Training

Performance assurance was addressed at meetings with the Vice President Network Services and the senior staff to focus on performance measures, identify gaps, and develop action plans where required.

Additional meetings are planned throughout the Network Services Organization to promote a better understanding of the importance of meeting performance levels.

Additional on-going training will be done on an "as needed" basis. The process and future schedule for SNET training will be coordinated through the individual organizations as required.

SNET Training Table

Condition	Paragraph	Target Audience	Training Message	Delivery Method	Date
7	24	Senior Network Services Staff	The impact and responsibility of the Network Services Organization regarding performance measures	Oral Presentation	1/6/00
7	24	Senior Network Services, Finance, Legal, and Regulatory Staff	Understanding the impact of performance measurements	Oral Presentation	1/28/00

4. SNET Internal Controls

As performance measurement results are developed in SNET during 2000, the necessary internal controls will be put in place to ensure conformity with the applicable business rules.

5. SNET Documentation

As SNET implements the business rules for measurement development and adopts methods and procedures for data collection in 2000, SNET is committed to ensure that the appropriate documentation will be developed and utilized.

PB/NB

1. PB/NB Compliance

Implementation of the 20 SBC/Ameritech merger performance measures and the associated display systems for results using the California business rules was the responsibility of the General Manager of Network Services Performance Measures Organization ("PMO"), and the Technical Director Application Development. Implementation for Nevada Bell is the responsibility of the Director – Finance.

PB/NB Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
7	24	Pacific and Nevada Bell began reporting the measures through web posting with September and October, 1999 results	12/1/99	12/1/99